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Note by the Secretary-General

In accordance with a request of the Statistical Commission at its fortieth session (see E/2009/24, chap. I, sect. A), the Secretary-General has the honour to transmit the report of the International Labour Organization, which is presented to the Commission for information. The Commission is requested to take note of the report.

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Report of the International Labour Organization on its new statistical organization and on labour statistics

Summary

The present report describes the reorganization of the statistical activities of the International Labour Organization that it carried out in order to take on a more active role in assisting countries to produce quality statistics on decent work. A key aim of the reorganization is to compile more timely information from countries, a need reinforced by the jobs crisis. Furthermore, the report describes the recent statistical activities of the Organization, including the development of measures of labour underutilization, in follow-up to the suggestions of the Statistical Commission at its thirty-ninth and fortieth sessions. The report also covers recent activities on labour statistics frameworks, occupational classifications, the harmonization of wage statistics and the measurement of decent work through new indicators in several pilot countries.

I. Reorganization of the statistical activities of the International Labour Organization

1. The International Labour Organization (ILO) has decided to create a new Department of Statistics reporting directly to its Director-General, integrating the former Bureau of Statistics that until May 2009 reported to the ILO Policy Integration and Statistics Department. This change acknowledges the increasing importance that ILO assigns to the production of reliable and comprehensive statistical data on labour, considering it an essential part of the promotion and implementation of the decent work agenda, endorsed by the Economic and Social Council and many regional meetings of presidents and heads of State worldwide, and to the follow-up to the 2008 ILO Declaration on Social Justice for a Fair Globalization. The production and dissemination of labour statistics is recognized as a key means of strengthening the knowledge base of the International Labour Office and the capacity of member States and employers' and workers' organizations. The reorganization and restructuring of statistical activities in the Office was considered a high priority in pursuing those goals. The reform, quite radical within ILO, seeks to strengthen member States' capacity to undertake statistical activities not only as regards traditional labour statistics, but also to produce and disseminate statistics on social protection, rights at work and social dialogue, which along with employment encompass the strategic areas of the decent work agenda. Moreover, the severity of the jobs crisis has underscored the need to reinforce technical assistance provided to countries and to compile a larger set of statistics in a more timely manner in order to more effectively monitor the crisis.

2. The new Department of Statistics is responsible for compiling and making available in a timely manner statistics on the four dimensions of decent work. Since May 2009, the compilation, quality control and dissemination of ILO statistical information have been centrally managed and coordinated by the Department of Statistics. All methodologies and databases developed by different units within sectors and regions of ILO are coordinated by the Department, thus avoiding duplication and discrepancies in methodology. The centralization of management and coordination is intended to establish concrete quality-control measures to ensure that the statistical information disseminated by ILO meets acceptable statistical standards. Moreover, it seeks to achieve coherence and integration in the technical advice given from the regions, in line with the Department's guidelines, ensuring coordination and standardization of criteria in the technical advice provided to countries and constituents. It also seeks to facilitate the process of defining new indicators, consolidate and update the definition and coverage of existing indicators and mobilize resources to meet constituents' needs to produce, compile and disseminate labour and decent work statistics. Under its mandate, the Department is required to implement a mechanism to oversee all statistical activities and methodologies of ILO to ensure that they meet quality standards that can be considered "official" by ILO.

3. The need to assist member States to produce primary data in accordance with international standards is deemed a priority, targeting in particular developing countries. To this effect, ILO will strengthen its own capacity to provide technical assistance in the design of relevant surveys, such as labour force surveys, income and expenditure surveys, establishment surveys and household surveys in general, and also to assist countries in developing other sources of labour information, such

as administrative records and special statistical operations. The analysis of such information will lead to a better understanding of labour markets and their functioning, especially labour demand and supply, wages, hours and conditions of work and qualitative aspects of the employment relationship. Decentralization in the provision of technical advice in the various regions is also a key element that is being established. Towards that end, that establishment of a network of labour statisticians based in each of the regions is seen as a priority.

4. The reform centres on four key elements: (a) an internal reorganization in order to face new demands; (b) the identification of priorities, in terms of information gaps, by topic and of the capacity of member States to produce quality statistical data; (c) the updating of the sources and methods used to produce labour statistics at the national level worldwide and an evaluation of how international statistical standards are being applied by countries worldwide; and (d) a complete overhaul of the compilation procedures to be put in place by ILO in the future in order to provide a state-of-the-art, user-friendly database that contains timely and well-documented labour statistics.

5. The internal reorganization is being carried out in order to accompany the process described above. The Decent Work Data Production Unit was created to compile short-term and annual indicators and to implement new ways of collecting information from countries. It seeks to take full advantage of modern techniques and procedures like the SDMX (standard data and metadata exchange) protocol by actively using electronic questionnaires and securing agreements with other international organizations in order to lower the reporting burden on countries. The need to have a single window or portal to all employment and decent work statistics has been identified, and this will be coordinated within the Department by the Unit. Furthermore, a provisional organizational structure has been set up to strengthen the various statistical sources in the production of labour statistics. A Household Survey Unit has been created to support the standard-setting of labour statistics derived from this type of survey. The Unit will deal with all statistics collected by labour force surveys, income and expenditure surveys, time-use surveys and all other surveys that use a list of households as the sampling frame. In addition, other members of the Department will be dealing with establishment surveys, gender statistics, administrative records, consumer price indexes and labour migration, among other topics. The organization is seen as provisional owing to the need for ILO to provide more resources to the Department to enhance its capacity in terms of labour statisticians and related expertise. The reorganization will entail the upgrading of the technical capacities of the professional and support staff, and also the incorporation of new professionals to face the challenges ahead.

6. A set of priorities for different topics has been identified on the basis of recommendations of the eighteenth International Conference of Labour Statisticians, held in Geneva in November/December 2008, as well as the programme review on labour statistics that was prepared, at the Commission's request, by the Office for National Statistics, United Kingdom of Great Britain and Northern Ireland, at the thirty-ninth session. In particular, the Commission has suggested that the International Conference of Labour Statisticians might wish to review its methods of operation, in particular the frequency and duration of its sessions. The Commission requested that ILO report to it at its fortieth session on the outcomes of the Conference, which was done in 2009. As stated in the final report already submitted to the Commission, at the eighteenth International Conference of Labour

Statisticians, it was decided to organize the Conference every three years for a shorter duration, of one week. However, owing to the ongoing reform within ILO, the Department of Statistics will not be able to organize the Conference in 2011 as requested, since its efforts now are being targeted at strengthening its capacity. Provisionally, the next Conference is being proposed for 2012, subject to the finalization of the reorganization of the Department of Statistics and related structures in terms of technical capacity.

7. The Department of Statistics is identifying a set of priority countries, especially in the developing world, where gaps in the quality and quantity of labour and decent work statistics exist, in order to plan and organize a systematic, proactive approach in support of the production of national statistics. This is being done in close collaboration with the regional and national structures of ILO in close cooperation with the United Nations system, the national statistical offices and the ministries of labour. This effort is considered crucial, since it will entail close coordination with donors and the multilateral system in order to deliver an adequate and coherent package of support for ongoing and planned statistical activities in those countries. To this end, the Department of Statistics is now mapping the state of labour statistics worldwide.

8. A top priority for ILO is to reorganize and update its methods of compiling labour statistics into user-friendly applications that are easily accessible. The ILO Governing Body has requested that ILO statistics be made available to the international community in a more timely manner while ensuring quality. This is especially critical at the present moment, which is characterized by an acute jobs crisis triggered by the economic crisis. Since economic recovery usually does not imply that jobs of sufficient quality are being created in sufficient quantity and given that recent experience indicates that employment and decent work will take several years to recover after economic growth resumes, the need for better and more timely information, as urged by ILO member States and policymakers, is underscored. Member States strongly support the idea of developing a proper set of leading labour indicators with timely information in order to facilitate appropriate policy action. This urgency is putting a strain on the newly created Department of Statistics, which is responsible for improving the coverage and quality of labour statistics. New methods of compiling data using exchange protocols such as SDMX and other ways of exchanging data between countries and international organizations will be put into practice. Moreover, collecting data through electronic questionnaires and other updated methods will drive the adoption of new modalities and platforms to be used in the design and implementation of ILO data production processes. Key statistical institutions in member States will be informed of those changes and their cooperation will be sought.

9. Putting into practice the recommendations of the eighteenth International Conference of Labour Statisticians and enhancing technical support for national statistical systems are seen as major aspects of the new mandate. However, before embarking on these important tasks, the Department of Statistics decided to undertake an internal evaluation of its own activities by external reviewers, which was carried out in October 2009. The evaluation brought to light the need to redefine the entire system of data compilation and information flows and to strengthen ILO capacity in terms of producing better statistical products. Several publications will be redefined, and many decades-old tools are under scrutiny now. Furthermore, internal capacity in terms of expertise to provide technical advice to

countries is considered limited compared with the substantial increase in demand, reflecting the slack labour situation. The need to cover new and important emerging topics and to react quickly has been highlighted in many regions, especially in the developing world. The Department of Statistics is actively working to mobilize internal and external extrabudgetary funds to support such important issues. Strengthening internal capacity and being proactive in its technical advice will be important for supporting countries in the application of international statistical standards.

10. Updating the sources and methods in use worldwide has been identified as a key starting point for reform of the technical advice and support provided to countries to facilitate the production of better-quality labour statistics. Moreover, important topics such as wage statistics, the follow-up of recommendations of the last International Conference of Labour Statisticians and the different consultations with the Committee for the Coordination of Statistical Activities, among others, as well as emerging issues demanded by ILO constituents, such as the development of decent work indicators, are going to be priorities. Promoting working groups and expert meetings where those issues are to be discussed is seen as a revitalized modus operandi to be implemented actively in order to achieve successful outcomes. Once the Department of Statistics fully reorganizes and reinforces its capacity, the ability to actively coordinate and promote the meetings will be reinforced.

II. Recent activities

A. Informal employment

11. A manual entitled "Surveys of informal employment and the informal sector" is a technical guide being prepared by the Department of Statistics, in cooperation with the Delhi Group on Informal Sector Statistics and with financial support by the Government of India. Although a delay in finishing the manual was highlighted in the last session of the Commission, the final draft will be discussed by the Delhi Group at its meeting in Geneva to be held from 27 to 29 January 2010. While some technical assistance has already been provided to countries on this topic, extending technical advice to countries whose surveys do not currently enable them to apply the recommendations of the seventeenth International Conference of Labour Statisticians on informal employment is seen as priority. The final draft of the manual is considered a primary means of achieving member States' adoption and operationalization of these recommendations.

B. Measures of labour underutilization

12. The development of measures of labour underutilization seeks to complement the unemployment rate with a set of indicators that more fully reflects the realities in the world of work in many countries. A technical workshop on the topic was held at ILO from 7 to 9 December 2009. Countries from all regions that during or after the eighteenth International Conference of Labour Statisticians expressed an interest in cooperating with ILO on the topic were invited to participate in the event. The workshop established a working group on the topic. The recommendations of the working group may serve as input to a possible revision, at a later stage, of the

current international standards concerning statistics of the economically active population, employment and unemployment adopted by the thirteenth International Conference of Labour Statisticians in 1982. In addition, ILO has joined a task force to develop indicators supplementing the ILO unemployment rate, which was established by Eurostat.

13. ILO has been a pioneer in the measurement of decent work, testing the set of indicators discussed during the eighteenth International Conference of Labour Statisticians and the 2008 Tripartite Meeting of Experts on the Measurement of Decent Work. Statistics for a set of decent work indicators for a group of pilot countries from different regions are being developed by ILO, and the Department of Statistics has been supporting member States through national statistical offices and ministries of labour to identify the necessary indicators and tailor them to national realities. Particularly interesting is the collaboration with the Economic Commission for Europe and the European Commission task force on the quality of employment, in which different pilot countries have started to report in preparation for the next International Conference of Labour Statisticians.

C. International Standard Classification of Occupations

14. Since the adoption of the updated International Standard Classification of Occupations (ISCO-08) by a meeting of experts on labour statistics in December 2007 and its subsequent endorsement by the ILO Governing Body, ILO has provided a range of tools to support the implementation of ISCO-08 and to assist countries in adapting national occupation classifications. The final classification structure has been available in English, French and Spanish on the ILO website since early 2008. A final draft in English of the detailed definitions of all ISCO-08 groups was released on the ILO website in July 2009. ILO contacts having responsibility for national and regional classifications have been advised that the material was sufficiently final to be used for adapting national classifications in line with ISCO-08.

15. Correspondence tables comparing ISCO-88 and ISCO-08 are also available. It is anticipated that an updated index of occupational titles will be released in English in the near future. French and Spanish versions will be released in 2010.

16. Versions of the ISCO-08 structure (but not definitions of groups) have been developed by Eurostat in all languages of the European Union. A number of countries around the world have either already adapted ISCO-08 for use in their national occupational classification or are undertaking revisions of their national occupation classifications in line with ISCO-08. Steps are also being taken to promote consistency and harmony between ISCO-08 and various regional classifications of occupations, such as the Arab Occupational Classification.

17. ILO will give high priority to the provision of regional training, technical assistance and advice on occupational classification directly to countries or groups of countries. Based on experience gained from those activities, ILO also proposes to prepare a manual and training material on how to adapt ISCO-08 for use in national and regional settings.

D. Methodological work to improve measurement of the changing structure of the labour force

18. ILO anticipates commencing work to review the International Classification of Status in Employment in 2010. This reflects the view of the eighteenth International Conference of Labour Statisticians that priority needed to be given in ILO methodological work on the changing structure of the labour force. This work is likely to involve a review of current national practices and problems related to such categories of employment as employee, employer, own account worker and contributing family worker. There is a need to focus on the treatment of such groups as owner-managers of incorporated enterprises, contractors, subsistence workers, volunteers and others whose classification is somewhat ambiguous within the existing status in employment framework and who may be treated differently in different contexts. Options to improve the current classification would then be elaborated. Technical advice and proposals would be sought from a relatively informal group of experts, as well as from the Expert Group on International Economic and Social Classifications, before concrete proposals were widely circulated for comment and consideration by the Meeting of Experts in Labour Statistics and results or progress reports were submitted to a future session of the International Conference of Labour Statisticians. It is likely that this work would be an important input to any future work to review the current international standards on statistics of the economically active population, employment and unemployment.

E. Wage and hour statistics by industry and occupation

19. Pursuant to resolutions of the eighteenth International Conference of Labour Statisticians, ILO is studying and discussing the redefinition of the *ILO October Inquiry* publication in terms of collecting data on employment, wages and hours in a uniform way worldwide. A process of consultation involving a wide array of experts (both users and producers of data) is being carried out that will serve to identify a smaller set of industries and occupations and key labour market variables in order to monitor the staffing patterns, hours and wages by selected industries and occupations. The traditional questionnaire will no longer be carried out; rather, an alternative procedure will soon be tested. The collection of food price information will also be redefined, although the basic information will be maintained to ensure continuity in the time series.

F. Organization, duration and frequency of the International Conference of Labour Statisticians

20. Although the eighteenth International Conference of Labour Statisticians discussed the organization, duration and frequency of its meetings, and suggested that the frequency of the Conference be increased to once every three years instead of the present five years, along with shortening its duration from two weeks to five days in order to facilitate more senior participation in and continuity between conferences, ILO will not be in a position to conduct the next Conference in 2011, as originally suggested, mainly because of its ongoing major reorganization. The need to focus ILO resources on monitoring the jobs crisis and to reinforce the existing capacity of its technical expertise, along with the need to build stronger ties

with the national statistical offices and to coordinate more closely with international organizations, prevent ILO from organizing the Conference in 2011. Depending on the achievements made in the reorganization process, ILO will work towards convening the nineteenth International Conference of Labour Statisticians in 2012. However, ILO will report to the Commission next year on this question.

III. Conclusion

21. The Commission is invited to:

(a) Encourage national statistical offices and international organizations to lead the different working groups proposed at the last session of the Statistical Commission on different topics of labour statistics, especially taking into account the disparity between the developing and developed world in the status of labour and decent work statistics;

(b) Encourage donor agencies and the international financial institutions to engage in supporting the production of key surveys that serve to monitor the jobs crisis and to evaluate the actions taken to prevent a worsening of the labour situation. In particular, the programme to strengthen labour force and household surveys in Africa is seen as a priority, as well as the technical support provided in many other countries in Asia and Latin America and the Caribbean. Providing support for other information sources is also important, such as the development and strengthening of administrative records and establishment surveys;

(c) Take note of the reasons given by ILO to postpone the nineteenth International Conference of Labour Statisticians beyond the scheduled date of 2011. ILO will try to work towards having it in 2012 and will report to the Commission thereon;

(d) Note that the reorganization of ILO statistical activities will change the methods of collecting and storing data, lead to a closer relationship with national statistical offices and strengthen the capacity for providing technical assistance to countries and coordination with other international agencies. ILO suggests that the Commission encourage member States to participate actively in this new joint effort.

22. The Statistical Commission is invited to take note of the views expressed by ILO in the present report.